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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/825,938	04/05/2001	John W. Daniel	104.025	3811

7590 09/29/2004

Law Office of Jerome D. Jackson
211 N. Union Street, Suite 100
Alexandria, VA 22314

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 09/29/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/825,938	DANIEL ET AL.
	Examiner	Art Unit
	Yehdega Retta	3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *05 April 2001*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-27* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-27* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 2, 4-6, 8 and 9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological art; and

(2) whether the invention produces a useful, concrete, and tangible result.

For claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical science as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For the process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

The independently claimed steps of enabling a discounted purchase, generating signal, effecting a purchase, enabling a price adjustment do not require structural interaction or mechanical intervention such that the invention falls within the technological arts permitting statutory patent protection. The claimed step of enabling a discounted purchase, generating signal, effecting a purchase, enabling a price adjustment does not apply, involve, use or advance the technological arts since all of the recited steps can be performed in the mind of user or by use

of a pencil and paper. Claims reciting those steps can be performed by interpersonal communications such that the claimed steps can be performed without a physical structure or mechanical object. The method only constitutes an idea of generating signals.

Additionally, for a claimed invention to be statutory the claimed invention must produce a useful, concrete and tangible result. In the present case, the claimed invention produces generating signal corresponding to offset of funds (i.e., repeatable) prediction (i.e., useful ant tangible). Although the recited process produces a useful, concrete and tangible result, since claimed invention, as a whole, is not with the technological art as explained above, the claims are deemed to be directed to non-statutory matter.

However in order to examine the claimed invention in light of the prior art, further rejections will be made on the assumption that those claims are statutorily permitted.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 3, 4, 6 and 7 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 3 recites first purchase increases a quantity stored on a customer's card. It is not clear what quantity is increased. Is it the quantity of the data in the memory or points or monetary value etc., it could mean anything. Clarification is required since applicant failed to point out and distinctly claim the subject matter.

Claims 4, 6 are rejected as stated above in claim 3, since the claim recites similar feature.

Claim 7 recites wherein the system includes a store having shelves, product on the shelves and claim 2, in the preamble, recites a system including a retailer, and a plurality of manufacturer. It is not clear whether the store is part of the retailer, or the store and the retailer are the same or whether the system includes a store and a retailer and manufactures. And it is not clear how the store relates with the retailer, since the it is recites, in claim 2, effecting the first purchase with the retailer and in claim 7, effecting the first purchase in accordance with the display of a store. Clarification is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claim 1 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schulze, Jr., U.S. Patent No. 6,497,360 and further in view of Official Notice.

Regarding claim 1, Schulze teaches enabling a discounted purchase responsive to a previous purchases with a retailer, generating a signal corresponding to a transfer of funds from a manufacturer to the retailer (see col. 5 line 8 to col. 6 line 42, col. 7 lines 1-57, col. 8 line 55 to col. 9 line 7). Schulze teaches redeeming coupons or discount, however does not explicitly teach the discounted purchase being in responsive to a previous purchase. However, Official Notice is taken that is old and well know in the art of marketing to provide discount based on product

purchased previously. Discounts, such as buy one get the next item free or half price is well known in retail stores. Thus it would have been obvious to one of ordinary skill in the art at the time of applicant's invention was mode to include all kind of promotion including such discount in Schulze coupon processing in order to encourage customer's to buy more.

Claims 2-6, 8-16, 18-25 and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dorf U.S. Patent No. 6,000,608 in view of Schulze, Jr., U.S. Patent No. 6,497,360.

Regarding claims 2 and 8-11, Dorf teaches effecting a first purchase with a retailer, enabling a price adjustment for a second purchase responsive to a first purchases, effecting the second purchase; effecting the first purchase in one store and effecting the second purchase in another store; (see col. 9 line 25 to col. 10 line 6). Dorf does not explicitly teach generating a signal corresponding to a transfer of funds from a manufacturer to the retailer, wherein the manufacturers are in mutual competition etc, it is taught in Schulze (see col. 5 line 8 to col. 6 line 42, col. 7 lines 1-57, col. 8 line 55 to col. 9 line 7). Schulze teaches manufacturer reimbursing the retailer for the discounted purchase made by the customer (see abstract). Thus it would have been obvious to one of ordinary skill in the art at the time of applicant's invention was made to combine Dorf's points redemption and Schulze's manufacturer reimbursement of coupons in order to reimburse the retailer the discount extended to customers.

Regarding claims 3 and 6, Dorf teaches the first purchase increasing points in customer's card (see col. 9 line 25 to col. 10 line 6).

Regarding claim 4, Dorf teaches wherein effecting the first purchase increasing a quantity (retailer increasing profit or customer buying more, etc.) (see col. 9 line 25 to col. 10 line 6).

Regarding claim 5, Dorf teaches effecting plurality of purchases and generating a signal and comparing the signal to a threshold (see col. 9 line 25 to col. 10 line 6).

Claims 12-16, 18, 20-25 and 27 are rejected as stated above in claim 2.

Claim 19 is rejected as stated above in claim 1.

Claims 7, 17 and 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dorf U.S. Patent No. 6,000,608 in view of Schulze, Jr., U.S. Patent No. 6,497,360 and further in view of Official Notice.

Regarding claims 7, 17 and 26, Dorf and Schulze teaches retail stores selling products. Both Dorf and Schulze do not explicitly disclose the retail store displaying a discount level for products and affecting purchase in accordance with the display. Official Notice is taken that is old and well known in the art of retail store to display discount level for product and to effect the purchase according to the displayed discount. One would be motivated to display discount level of a product in order to inform customer of the discount in order to entice the customer to buy the product and to charge the customer accordingly.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Postrel U.S. Patent No. 6,594,640 teaches redeeming points accumulated in frequent use of reward program.

Freeman et al. U.S. Patent No. 6,450,407 teaches chip card rebate system.

Wong et al. U.S. Patent No. 6,119,933 teaches customer frequency, analysis and reward system.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (703) 305-0436. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (703) 305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Yehdega Retta
Primary Examiner
Art Unit 3622

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